

FISCAL NOTE

HB 2534 - SB 2664

February 23, 1998

SUMMARY OF BILL: Requires a water utility district or municipal water company to provide service to a landowner whose property lies within 500 feet of the district or municipal service area as long as the connection lies within the service area.

ESTIMATED FISCAL IMPACT:

Increase Local Govt. Expenditures* - Exceeds \$100,000

Increase Local Govt. Revenues - Less Than \$100,000

To the extent that landowners apply for such service and pay for the water line to be laid on their property, the water utility would experience increased expenditures for any additional lines on property up to the residence, as well as boosters or connections required in order to provide service. It is also assumed that the boundary of the utility would be redefined to include the 500 foot extension, thus increasing service area and extending liability for 500 feet from the new boundary. The utility would also experience increased revenues from the water rates payable by any new customers.

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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